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TO: Distribution DATE: 8/25/93

FROM: Stuart Fuller

SUBJECT: Basic Price and Distribution Analysis

Attached is an analysis of Basic's price position in the market as reported in the 1050 Audit panel on August 2.

On that same date Basic distribution was surveyed in 3700 stores. Auditors were instructed to verify distribution visually and confirm with store personnel if product was not visible. The distribution measure was compared to June Nielsen (data collected June 15 to July 14) and to SPACE (week of July 25) by Region and Section.

Conclusions:

Pricing

Basic's relative price gap with lowest priced brands is not uniform geographically, and several Sections are at a potentially significant price disadvantage. Other work currently in progress will quantify Basic's sensitivity to price gaps, and in combination with the results presented here may assist in directing resources in support of Basic.

Six Sections have been identified as having higher than average carton and pack price gaps versus the lowest brand in the store:

Sections 31, 32, 35, 43,45, and 51

Distribution

Distribution measures are very close between Audits and Nielsen (56.6% and 59.6%, respectively. Audits put distribution 5-10 points lower than Nielsen in Regions 2 and 5, but 10 points higher in Region 1.

SPACE distribution is 71.3% at the national level, and is consistently higher than both Nielsen and Audits in the Regions. The discrepancies are particularly large in Regions 1 and 5, approaching 20 to 30 points.

Distribution

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